

**REMARKS BY
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Thank you to the Center for Strategic and International Studies Americas Program for hosting me here today and to Ambassador David Johnson for the kind introduction.

CSIS is an important leader in the international policy community. I'm glad to be able to discuss the work of the Obama Administration with you.

Today, I have some promising new information to share with you about cocaine production and consumption in the hemisphere. But before I address that, I'd like to take a moment to talk about the state of drug policy.

Last month, I traveled to Peru to lead the American delegation for an international conference on the global drug problem. In Lima, I joined delegations from five continents to share America's approach to reducing drug use, and to hear about drug policy in other countries—what works, the obstacles each country faces, and the best path forward in the 21st Century.

As I sat with drug policy leaders from more than 60 nations from across the globe, I realized that our areas of agreement far outweighed our differences. We were all united in pursuing drug policies that are balanced, realistic, and focused on the public health and safety of our citizens.

Leading up to the conference, there had been considerable discussion in the media here and in Latin America about Uruguay's move to legalize marijuana. A scan of the news and statements

from advocacy groups would have suggested that a worldwide legalization movement was afoot, and before the conference, it wasn't clear what kind of tone the Peru summit would take.

The problems caused by drugs in Latin America are frustratingly complex, but—unfortunately—public discourse on these issues thrives on the simplicity of sound bites.

The drug problem is complex and calls for complex solutions. I was pleased to see in Lima that the world's leaders in drug policy agree on a three-pronged approach that—although it doesn't lend itself to sound bites—is the holistic, nuanced strategy the problem requires.

First, as I've seen in Latin America, institutional support for alternative development is critical—not only to reducing the amount of drugs coming out of Latin America, but also to ensuring that farmers who had made their living from illicit crop production have viable alternatives to support themselves and their families. These farmers must be protected as they grow alternative, legal crops.

That's why the Obama Administration has devoted nearly \$1 billion to alternative development programs during the past three years. These programs provide economic incentives and increased security to farmers in drug producing regions in the Western Hemisphere.

Secondly, the global drug policy community is committed to reducing the supply of drugs. But our geographic focus in supply reduction is not limited to Latin America. Last week, the *New York Times* reported that the U.S. is training counternarcotic enforcement units in Ghana to disrupt the flow of cocaine into Europe, with more efforts planned for Nigeria and Kenya.

Because we know that, as in Latin America, transnational criminal organizations will exploit political and social unrest in vulnerable countries. We must be nimble in our response.

A recent article covered the evolution of the drug problem in countries traditionally thought of as “source” or “transit” countries. We now know that these are artificial distinctions. In these countries, drug trafficking organizations pay their networks in drugs—not cash—increasing drug consumption in those areas. Increased consumption strains public health services that, in developing nations, are too often ill-equipped to handle the influx of people who need treatment for addiction.

Finally, the third prong of the global approach to drug control is reducing the demand for drugs. That's an especially important part of this Administration's strategy. In our 2012 strategy, the President requested more money for treatment and prevention programs than for U.S. law enforcement.

During the past three years, we have spent more than \$31 billion to support drug education and treatment programs, which is more than what we spend on U.S. law enforcement.

We are often told that the U.S. and Europe are the only areas where drug consumption is a major problem. Here in the United States we are engaged in an unprecedented effort here to reduce drug consumption through prevention, treatment, and recovery programs.

We routinely see evidence of increasing drug consumption in countries where this problem had not been visible before. Latin American countries in particular have their own drug use, and, as so countries in Africa.

Just before the summit in Peru, I visited Guatemala where I met with President Perez Molina, and visited a women's drug rehabilitation center in Guatemala City. The facility was pretty small—only 12 women stayed there—and the price of treatment just 200 dollars.

This Guatemalan treatment center was a small attempt to meet a public health need that's not confined by national borders. In many cases, the women being treated at this center had made enormous sacrifices to be there, and their attempt to find treatment had been woefully limited before they arrived. My point is that drug consumption isn't just a U.S. problem; drug consumption is a significant and growing social problem in places we once mistakenly called supply and transit countries.

As we look for solutions to the global drug problem, we must understand and recognize that the United States isn't only capable of exporting helicopters and training counternarcotic units—we lead the world in evidence-based treatment and prevention programs, and we can and do export that knowledge, too.

Through the Central America Regional Security Initiative (CARSI) and other initiatives, we are helping create safe streets in Latin America, disrupt drug trafficking, and support democratic

institutions. But CARSI funding also goes to gang prevention and social programs for at-risk youth to provide healthy alternatives to substance use.

During my trip to Guatemala, I visited a youth drug prevention program called “My First Steps,” which was built on the framework of a U.S. program and developed into a program that reflected the culture of Guatemala.

The combination of American expertise and Guatemala’s cultural influences created a youth program uniquely suited to the needs of that country’s young people. By exporting U.S. expertise and encouraging partner nations to make such programs their own, we can re-create similar drug prevention programs in countries where drug use is increasing.

All of this points to one conclusion—the international drug control community must find ways to work together and increase cooperation, both in cutting the supply of drugs and reducing demand for them. I’m pleased to report that there’s a significant amount of international solidarity on this matter.

Earlier, I told you that I had some good news. While there is still much more work to do, I’m able to report that multiple across-the-board indicators show that both cocaine production and U.S. cocaine consumption are declining.

New estimates we are releasing today show that in 2011 potential cocaine production in Colombia dropped 25 percent from 2010 and 72 percent from 2001. Potential production of pure cocaine in Colombia is down to 195 metric tons from 700 metric tons in 2001, the lowest production potential level since 1994 and the first time since 1995 that Colombia is producing less cocaine than either Peru or Bolivia.

Since 2006, here in the United States, the number of current cocaine users has decreased by 39%. And in 2011, a survey of adult male arrestees in 10 U.S. cities showed that fewer arrestees are testing positive for cocaine. All ten tracked sites showed a significant decrease in 2011 compared to 2003.

Let me add some context to these results: they didn’t happen overnight – there was a sustained effort requiring nearly a decade of steady, strategic pressure across more than one Administration in both the United States and Colombia.

They didn't happen solely due to efforts made by the United States – this was a joint partnership between the United States and Colombia.

And they didn't happen because the strategy was based solely on a hard line – they were a result of a balanced approach that involved integrated strategic steps. The results are historic and have tremendous implications, for the United States and the Western Hemisphere, and globally.

The security threat Colombia and the United States faced in 1999 is gone – and it has been accomplished without offsetting those results elsewhere. We don't just have a far safer Colombia, we have a vibrant Colombia that is an active partner in helping with the drug and criminal issue in the region.

Colombia, as you are all aware, is committing its own resources to help its neighbors through training, information exchanges and regional leadership.

These lessons provide a model for dealing with the challenges throughout the world, particularly in Central America.

These numbers are certainly heartening, but they should not distract us from the fact that the transnational criminal organizations that supply cocaine are a threat to civil society everywhere, as we've seen with our southern neighbor Mexico.

This Administration condemns the gruesome drug-related violence and is committed to partnering with the Mexican government to disrupt the cartels that commit such brutality.

These organizations pose a significant challenge—they don't just prey on citizens through drug distribution, but diversify their operations through human trafficking, contraband smuggling, financial fraud, and extortion, spreading violence, corruption and terror wherever they operate.

These groups are in business for money and power and there is no limit to the schemes they will employ to extract illegal proceeds from our societies. In an interview with PBS in May, Alejandro Junco, the head of Grupo Reforma, put it well: “Once the dominating cartel establishes territorial control, it turns the most profitable part of its business—selling protection. Kidnappings, extortion, piracy, contraband, sale of organs, prostitution—cartels will turn to

anything illegal that makes money. The profitability of drugs is actually quite low compared to the profitability of these other areas.”

The United States takes our responsibility to disrupt and dismantle major drug trafficking groups operating within our borders very seriously. Last year, U.S. law enforcement agencies disrupted or dismantled 612 drug trafficking organizations on the Attorney General’s Target list, which focuses on the major drug trafficking and violent criminal organizations operating within the United States.

We have interagency task forces operating in every part of our country to identify and disrupt major drug distribution networks within the United States. We welcome a dialogue on the best tactics to address the threat posed by transnational criminal organizations.

We recognize that it is appropriate to examine what works best. But we also recognize that transnational criminal networks would not disappear if drugs were made legal.

Transnational criminal organizations don’t derive all their revenue from drugs, as I just mentioned. They would not simply disband if drugs were legalized. They are diversified businesses, profiting from human trafficking, kidnapping, extortion, intellectual property theft, and other crime.

Institutions like CSIS play an important role in helping develop a rational, balanced approach to the international drug issue. Too often, we face a polarized debate—legalization at one end of the spectrum and a “war on drugs” at the other.

The Obama Administration is committed to a third way forward. Legalization is not our policy, nor is locking every offender up. Our approach focuses on the public health challenge of drug consumption and science of addiction and tackling the international security challenge posed by transnational criminal organizations.

There are no simple answers to the global drug issue. It is complex and threatens the health and security of people everywhere, regardless of citizenship. I’m grateful for the opportunity to provide some insight into the global policy landscape and this Administration’s approach. Thank you.